



DATE: August 31, 1990  
TO: Kirvil Skinnarland  
FROM: Charlie Raines and Christy O'Quinn  
SUBJECT: Duwamish Substation Property Lease to Boeing

Attached for your review is the completed checklist and determination of nonsignificance (DNS) covering City Light's proposed lease of the Duwamish Substation Property to the Boeing Company. As you know, several issues were raised in the process of completing this checklist that remain essentially unresolved. An overview of the key issues is provided here to supplement your review of the information contained in the attached documents.

1. Summary of SEPA Objectives and Process

The State Environmental Policy Act (SEPA) requirements apply to all agencies including local governments. The Act requires comprehensive review of the environmental impacts associated with agency actions including both project and non-project actions. The Act also explicitly directs agencies not to limit such reviews to only those impacts that fall within their jurisdiction. The direct, indirect and cumulative affects of a proposal, particularly when it will serve as a precedent for future actions, must be taken into account in the SEPA review. Actions that result in "significant" environmental impacts must be extensively analyzed in an environmental impact statement (EIS). Ultimately, the goal of SEPA is to aid agencies in making sound environmental decisions.

Segmenting projects in order to avoid discussion of cumulative impacts is a clear violation of the Act. Phased environmental reviews are permitted but only when total project impacts are not yet ready for consideration. A phased approach is considered appropriate when the review sequence moves in the direction of nonproject to project-specific impacts. The SEPA documents for such projects must clearly indicate that a phased review is being applied.

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2. City Light SEPA Responsibilities

In a 7 July 1990 memo, Charlie described the various roles the Utility plays in implementing SEPA. In this action, the Utility must prepare a SEPA checklist because lease of the Duwamish Substation property will likely result in a significant change in present land use. However, there are additional important implications related to this action that deserve special consideration.

For example, since City Light will supply the power needed to operate the wind tunnel facility which Boeing has proposed to construct on the leased property, the long-term cumulative energy impacts of that facility should be carefully assessed. It is probable that the cumulative impacts of a new 200 MW load will require the Utility to acquire additional energy resources. The acquisition or development of new energy generation and transmission capacity of the magnitude anticipated for the Boeing wind tunnel facility will certainly require environmental review. Key issues include air quality, water availability, and fisheries, wildlife and plant habitat impacts. Hazardous and non-hazardous product use, generation, and disposal issues must also be evaluated.

The Utility also routinely evaluates the energy impacts of all new development proposals within the service area that are permitted by other agencies such as King County. The lifetime energy use and costs of projects are calculated and mitigation measures, including conservation and increased energy efficiency, are generally required to ensure that the Utility's load management goals are met.

City Light's failure to adequately address the issues outlined above or to fully disclose expected impacts of a project for which it is the lead agency could have serious consequences. This is particularly true with regard to City Light's ability to influence how energy or resource impacts are assessed and mitigated by other agencies with SEPA responsibility.

Evaluation

In this situation, City Light is proposing to lease property which may or may not become the site of a future

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200 MW wind tunnel complex. Thus, a DNS on the lease action itself is an appropriate action. However, if the wind tunnel facility is built as proposed, a site specific environmental review would then be needed. At that time, the Utility should be prepared to actively participate in the EIS scoping and review process and should advocate appropriate mitigation measures.

However, to date despite several requests, Boeing has not provided any data on the proposed wind tunnel facility that would permit City Light to conduct a comprehensive environmental review of the project or that would support a determination of significance on the lease action. It is clear that without City Light's lease action Boeing will be unable to construct a wind tunnel facility in the project area. Conversely, City Light's lease action will not preclude Boeing from constructing the wind tunnel complex at an alternative site.

The responses in the attached checklist reflect our evaluation of the impacts associated with this lease action. However, since the draft lease specifically discusses the wind tunnel project, we have also attempted to assess certain key impacts of the project such as energy use. We reached a determination of non-significance for this action primarily because we could not presume that it would set a precedent for the subsequent construction of a wind tunnel facility. In fact, King County has recently supplied information which indicates that Boeing is actively considering an alternative site for the wind tunnel complex.

3. Non-Project EIS for Boeing Redevelopment Proposal

Although a DNS for City Light's lease action is appropriate, we continue to believe that a project-specific environmental impact statement (EIS) is warranted for the wind tunnel facility, regardless of its location. We therefore contacted Ann Questad, King County SEPA Coordinator, to determine what type of review King County typically requires for major industrial development projects.

King County was surprised to learn that Boeing was proposing a wind tunnel project on City Light property. Ann informed us that Boeing is currently seeking authorization to redevelop a 4.3 mile industrial area known as the "Duwamish Valley corridor." Boeing's

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proposal entails redeveloping obsolete manufacturing facilities into a "campus" of developmental engineering facilities. The bulk of this project is located within the City of Tukwila's jurisdiction.

On 11 July 1990, Boeing presented its redevelopment proposal to government officials from King County, the City of Seattle, and the City of Tukwila. The proposal, which is described as a "comprehensive long-term plan," apparently includes a wind tunnel complex. However, on the map that accompanied Boeing's presentation, the wind tunnel is located at the Oxbow site; a site that is located south of City Light's Duwamish Substation property.

Boeing has requested approval to prepare a non-project (programmatic) EIS to cover all aspects of its redevelopment proposal. Participating agencies apparently would then be expected to issue building permits on individual projects without additional site specific review or mitigation. At the July meeting the City of Tukwila was identified as the SEPA lead agency. However, Rick Beeler, City of Tukwila SEPA Coordinator, has subsequently expressed reluctance to act in this capacity since the proposal involves agencies in three jurisdictions and would entail substantial administrative oversight.

Privately, several other officials have suggested that Boeing is using this approach to avoid agency review of individual projects. Additionally, there is concern that it will be extremely difficult for involved agencies to agree on the proper scope of a programmatic EIS or to decide on appropriate mitigation measures. Boeing's presentation also revealed that it has developed fairly detailed designs for some site including the Oxbow site; this supports the conclusion that it would be inappropriate to conduct a non-project review of the proposal. For these reasons, it now seems likely that Boeing will not be allowed to issue a programmatic EIS for the redevelopment proposal. Instead, it seems more likely that site specific environmental reviews will be required at each site where facilities are planned. This approach will leave it up to the individual permitting agencies to determine what level of environmental review is needed.

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Evaluation

Regardless of the outcome of this situation, City Light has an important role to play in ensuring that the energy and resource impacts of the wind tunnel facility are adequately addressed and mitigated. Again, such reviews are routinely conducted for much smaller projects. Both King County and the City of Tukwila have encouraged City Light to be involved in commenting on the EIS scope for Boeing's redevelopment proposal. If the wind tunnel complex is constructed at the Duwamish Substation site, City Light will also be able to provide valuable information on site characteristics and energy impacts.

Boeing's redevelopment proposal also contains several other interesting elements. For example it calls for the demolition of the Georgetown Steam plant and states that the wind tunnel will be operated so as to actually generate more electricity than it consumes. Clearly, these are areas of concern to City Light.

4. Recommendation

We recommend that this DNS be forwarded to Randy Hardy for his signature at your earliest convenience. It is important that there be unambiguous understanding that this DNS only applies to the lease action and that further environmental review of the wind tunnel project by City Light is appropriate and necessary. We also recommend assigning a staff member to maintain close contact with SEPA coordinators at King County and the City of Tukwila in order to monitor this project's development.

Please let us know if you would like additional information or clarification of the issues presented above.

CR,CO/jf

Attachments

cc: (w/attachments)

Best	O'Quinn
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Kurko	File
Raines	

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